

general election. In essence, this proposal is identical to LR 21CA, but I think we have addressed the problems that finally stalled LR 21CA in that LR 11 doesn't contain an amendment which was placed on in that resolution on Select File the last time, which muddled the waters somewhat about the ability to use state and federal funding. Let me give you some background on this, and make sure I have been clear. The constitutional amendment simply says, "Notwithstanding any other provisions in the Constitution, the Legislature may also authorize any incorporated city or village, including cities operating under home rule charters, to appropriate from local sources of revenue such sums of money as may be deemed necessary for an economic or industrial development project or program subject to approval by a vote of a majority of the registered voters of such city or village voting upon the question." If the voters accept this in November, then there is an entire process laid out in the accompanying language, 1229, about what the next steps are, which I will walk through in a bit. The background of this comes from a Nebraska Supreme Court case, Chase v. Douglas County, which declared part of Section 18-1401 unconstitutional. The court held, "We find that the provisions of the statute authorizing expenditures, whether directly by city or county or through the chamber of commerce, or other listed organizations, for the purpose of acquiring real estate, or options thereon, for industrial development is unconstitutional and in violation of Article XIII, Section 3, because it permits the lending of the credit, as that term has been previously attributed of the city or county to an individual association or corporation." So, in essence, this 1976 Supreme Court ruling has very far-reaching implications and has negated any effective partnership or activity on the local level to spend local sources of revenue for economic or industrial projects or programs. That decision, incidentally, did not apply to federal dollars. As you know, if you have been following the funding for cities and villages in this country, federal money has gone away, essentially, in large chunks. When that federal money was readily available for economic and industrial projects or programs, the situation wasn't as critical. But today it is important that we give our municipalities the power to appropriate local dollars for projects and programs for, frankly, economic development projects that are being phased out, that used to be covered by such things as UDAG and community development block grants and so on. The municipalities can currently participate in certain economic development programs with federal dollars, but cities and